

XV. Inpatient Psychiatric Services

- A. Effective for admissions beginning on or after January 1, 1990, certain psychiatric services will be reimbursed at the lower of the hospital's Title XIX per diem rate or an inpatient psychiatric per-diem of \$277. This limitation will apply to all hospitals with a valid Title XIX participation agreement.
- B. The inpatient psychiatric per-diem is based on 110% of the 1988 weighted average cost for in-state, free-standing, non-state operated psychiatric units. The inpatient psychiatric rate will be adjusted by the inflation factor described in subsection (1)(F) granted on or after January 1, 1990.
- C. The following diagnosis codes will be subject to the inpatient psychiatric per-diem: Diagnosis code range 290-316, Mental Disorders, except for codes 290-290.9, 293-293.9, 294-294.9, 306-306.9, 310-310.9 & 316.
- D. Effective February 15, 1990 through November 30, 1990, urban hospitals subject to state and federal taxes who are disproportionate share hospitals with a profit margin of less than three percent (3%) and with government sponsored days in excess of sixty-five percent (65%), excluding newborn days, and who provide both obstetrical services and psychiatric services shall be exempt from the inpatient psychiatric services limitation specified in subsection XV.A.

State: Missouri

XVI. Uncompensated Care/Access to Care Incentive (UCACI) Adjustments - Disproportionate Share. An uncompensated care/access to care incentive (UCACI) adjustment shall be provided for disproportionate share hospitals prior to the end of each state fiscal year, as described in this section.

A. For hospitals which qualified as disproportionate share hospitals and were granted disproportionate share rates as described in section VI in the payment year, other than those satisfying the provisions of VI.C.1.(e)(2) or VI.D.3.(e), the uncompensated care/access to care incentive (UCACI) adjustment shall be the lesser of:

1. The hospital's total hospital charges (THC) times the hospital's Medicaid inpatient utilization rate (MIUR) times an incentive/access/adjustment factor of one hundred and twenty-five percent (125%), less total Missouri Medicaid patient revenues (TMMPR). A hospital with a cost to charge ratio of less than fifty percent (50%) will have its total hospital charges (THC) amount adjusted downward to the fifty percent (50%) limit.

For Example: $UCACI = ((THC \text{ (Adjusted)}) \times MIUR \times 125\%) - TMMPR$, or;

2. The individual hospital's UCACI divided by the sum of the UCACI's for all hospitals described in subsection VI.A. times one hundred and forty-five percent (145%) of the amounts credited to and general revenue transfers designated for the disproportionate share revenue collection center of the uncompensated care fund during the state fiscal year. For state fiscal year 1991 only, the amounts credited and/or designated between March 12, 1991 and June 30, 1991 shall be considered.

B. Subject to paragraph XVI.B.2. hospitals which qualified as disproportionate share hospitals in the payment year under the provisions of VI.C.1.(e)(2) or VI.D.3.(e), and were granted disproportionate share rates available to such hospitals, in the payment year the uncompensated care/access to care incentive (UCACI) adjustment shall be:

1. The hospital's total hospital charges (THC) times the hospital's Medicaid inpatient utilization rate (MIUR) times an incentive/access/adjustment factor of one hundred and thirty-five percent (135%), less total Missouri Medicaid patient revenues (TMMPR). A hospital with a cost to charge ratio of less than fifty percent (50%) will have its total hospital charges (THC) amount adjusted downward to the fifty percent (50%) limit.

For Example: $UCACI = ((THC \text{ (Adjusted)}) \times MIUR \times 135\%) - TMMPR$.

2. If the aggregate cash subsidies (CS) are less than the matching amount required, the total aggregate adjustment will be adjusted downward accordingly, and distributed to the hospitals in the same proportions as the original adjustment amounts.

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State: Missouri

- C. The data sources, reports and data definitions for determining the UCACI shall be the same as described in paragraph VI.A.2. and adjusted as may be described above. Hospitals which do not have a third prior fiscal year cost report described in paragraph VI.A.2. shall not be eligible for an uncompensated care/access to care incentive adjustment. No amended cost reports shall be accepted after the Division's annual determination of the adjustment amount. For state fiscal year 1991, the determination date shall be March 12, 1991. For state fiscal year 1992 and thereafter, the determination date shall be no later than thirty (30) days following the beginning of the fiscal year. For example, for state fiscal year 1992, the determination date will be no later than August 1, 1991.
- D. Adjustments provided under this section shall be considered reasonable costs for purposes of the determinations described in paragraph V.D.2.

XVII. Uncompensated Care/Access to Care Incentive (UCACI) Adjustments -

Non-Disproportionate Share. An uncompensated care/access to care incentive (UCACI) adjustment shall be provided for non-disproportionate share hospitals prior to the end of each state fiscal year, as described in this section.

- A. For hospitals which did not qualify as disproportionate share hospitals and were not granted disproportionate share rates as described in section VI. in the payment year, the uncompensated care/access to care incentive (UCACI) adjustment shall be the lesser of:
1. The hospital's contractual allowances (CA) plus charity care (CC) times its Medicaid inpatient utilization rate (MIUR) times an incentive/access/adjustment factor of one hundred and twenty-five percent (125%).

For Example: $UCACI = (CA + CC) \times MIUR \times 125\%$, or;
 2. The hospital's UCACI divided by the sum of the UCACI's for all non-disproportionate share hospitals times one hundred and forty-five percent (145%) of the amounts credited to and general revenue transfers designated for the non-disproportionate share revenue collection center of the uncompensated care fund during the state fiscal year. For state fiscal year 1991 only, the amounts credited and/or designated between March 12, 1991 and June 30, 1991 shall be considered.
- B. The data sources, reports and data definitions for determining the UCACI shall be the same as described in paragraph VI.A.2. Hospitals which do not have a third prior fiscal year cost report described in paragraph VI.A.2. shall not be eligible for an uncompensated care/access to care incentive adjustment. No amended cost reports shall be accepted after the Division's annual determination of the adjustment amount. For state fiscal year 1991, the determination date shall be March 12, 1991. For state fiscal year 1992 and thereafter, the determination date shall be no later than thirty (30) days following the beginning of the fiscal year. For example, for state fiscal year 1992, the determination date will be no later than August 1, 1991.
- C. Adjustments provided under this section shall be considered reasonable costs for purposes of the determinations described in paragraph V.D.2.

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State: Missouri

- D. In compliance with 42 CFR 447.253(b)(2), the Division of Medical Services shall make a finding each State fiscal year to ensure that estimated aggregate Title XIX payments do not exceed the estimated upper limits described in 42 CFR 447.272. Should the Division's finding indicate the estimated upper payment limit will be exceeded, the Division will take corrective action to reduce Title XIX payments to the estimated upper limit.

XVIII. Safety Net Adjustment. A Safety Net Adjustment shall be provided for each hospital which qualified as disproportionate share under the provision of VI.D.3.(e) prior to the end of each state fiscal year.

A. The Safety Net Adjustment shall be computed as follows:

1. The Safety Net Adjustment shall be equal to the lesser of charity care charges or total unreimbursed hospital charges. Unreimbursed hospital charges are computed as total hospital charges less patient revenues and UCACI adjustments computed in accordance with subsection XVI.B. In the case of nominal charge providers whose total charges are less than cost, total hospital costs shall be substituted for total hospital charges.
2. If the aggregate cash subsidies (CS) are less than the matching amount required, the total aggregate safety net adjustment will be adjusted downward accordingly, and distributed to the hospitals in the same proportions as the original Safety net adjustments.
3. The data sources, reports and data definitions for determining the Safety Net Adjustments shall be the same as described in paragraph VI.A.2. and adjusted as may be described above. Hospitals which do not have a third prior fiscal year cost report described in paragraph VI.A.2. shall not be eligible for a safety net adjustment. No amended cost reports shall be accepted after the Division's annual determination of the adjustment amount.
4. Adjustments provided under this section shall be considered reasonable costs for purpose of the determinations described in paragraph V.D.2.

State Plan TN# 91-49
Supersedes TN# 91-5

Effective Date December 3, 1991
Approval Date 07-17-92

Substitute per letter dated 12/17/96

XXX Hospital mergers. Hospitals that merge their operations under one Medicare and Medicaid provider number shall have their Medicaid reimbursement combined under the surviving hospital's (the hospital's whose Medicare and Medicaid provider number remained active) Medicaid provider number.

1. The Disproportionate share status of the merged hospital provider shall be:

A. The same as the surviving hospital's status was prior to the merger for the remainder of the State Fiscal Year in which the merger occurred; and

B. Determined based on the combined desk reviewed data from the appropriate cost reports for the merged hospitals in subsequent fiscal years.

2. The per diem rate for merged hospitals' shall be calculated:

A. For the remainder of the State fiscal year in which the merger occurred by multiplying each hospital's estimated Medicaid paid days by its per diem rate, summing the estimated per diem payments and estimated Medicaid paid days, and then dividing the total estimated per diem payments by the total estimated paid days to determine the weighted per diem rate. The effective date of the weighted per diem rate will be the date of the merger, and

B. For subsequent State fiscal years based on the combined desk review data after taking into account the different fiscal year ends of the cost reports.

3. The Medicaid Add-on for shortfall and uninsured shall be:

A. Combined under the surviving hospital's Medicaid provider number for the remainder of the State fiscal year in which the merger occurred; and

B. Calculated for subsequent State fiscal years based on the combined data from the appropriate cost report for each facility.

State Plan TN# 96-22

Effective Date August 2, 1996

Supersedes N/A

Approved DEC 26 1996

The National Hospital Input Price Index methodology will be utilized to develop the Missouri Hospital Market Basket Index and isolate the effects of prices of goods and services for Missouri hospitals. This index will measure the average percent change in prices for a fixed "market basket" of hospital categories of expenses in Missouri and apply forecasted increases determined for this region as by Data Resources, Inc. (Data Resources, Inc., Cost Forecasting Service, Regional Forecasting Models for Selected Components of the Hospital and Nursing Home Cost Index, 1750 K Street, Washington, D.C. 20006). These forecasted increases combined with the historical period data, will provide a price index for hospital inpatient reimbursement in the state.

The National Hospital Input Price Index was developed utilizing a fixed set of weights for each of seven (7) categories of expenses. The article by Freeland, et.al., in the HCFA Review (Summer, 1979) discussed the various "market basket" comparisons, input-output data, and other survey designs which were utilized in the establishment of the Price Index.

Missouri Hospital Market Basket Index

(Estimated)

Rev. 7/31/81

<u>Year</u>	<u>Percent Increase</u>	<u>Intensity Allowance</u>	<u>Total</u>
1979	8.79	1.0	9.79
1980	10.01	1.0	11.01
1981	9.28	1.0	10.28
1982	9.56	1.0	10.56

These expense categories, relative weights, and the data used to establish the base wage price proxies is shown on page 2 of this exhibit.

*Index is an estimate due to unavailability of current data at time of publication. Data will be available by effective date of plan.

MS 81-12

MISSOURI HOSPITAL MARKET BASKET INDEX
CATEGORIES OF EXPENSES

<u>Expense Category</u>	<u>Relative Weights</u>	<u>Data Source</u>
1. Payroll expenses and employee benefits		AHA Nat'l Hospital Panel Survey; BLS
Payroll expenses (wages and salaries)	57.83	Employment & Earnings; U.S.
Employee benefits	9.80	Commerce, <u>Survey of Current Business</u>
2. Professional fees		US Labor, <u>Monthly Labor Review</u>
Other	.76	
3. Food	3.56	US Labor, <u>Monthly Labor Review</u> ; US Commerce <u>Survey of Current Business</u>
4. Fuel and other utilities		US Commerce, <u>Survey of Current Business</u> ;
Fuel and coal	1.57	Bureau of Economic
Electricity	1.09	Analysis; US Labor,
Natural gas	.47	<u>Monthly Labor Review</u>
Water and sanitary services	.03	
5. Other		US Labor, <u>Monthly Labor Review</u>
Drugs	4.10	
Chemicals	3.13	
Surgical	2.38	
Rubber/plastics	2.16	
Business travel	1.08	
Apparel and textiles	1.08	
Business services	6.15	
All other expenses	6.81	

State Plan TN# 87-12 Effective Date 7/1/87
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Trend Factor Adjustment

$$TFA = (ATF - PTF) MIC$$

Where:

TFA = The prior year's trend factor adjustment to be applied to the current year's reimbursement rate

ATF = The actual Market Basket for the previous year

PTF = The projected Market Basket used for reimbursement in the previous year

MIC = The Medicaid inpatient cost per day

Hospital Rate Calculation

Hospital X	1979 Allowable Expenses	\$1,500,000
	1979 Medicaid Recipient Inpatient Days of Stay	15,000
	1979 Title XIX Per Diem	\$100 per day
	1980 Missouri Hospital M.B. Index	x 1.1057
	1981 Missouri Hospital M.B. Index	x 1.1005
	1982 Missouri Hospital M.B. Index	<u>x 1.1015</u>
	1982 Title XIX Per Diem	\$134.03 per day

**INSTITUTIONAL STATE PLAN AMENDMENT
ASSURANCE AND FINDING CERTIFICATION STATEMENT**

STATE: Missouri

TN - 96-22

REIMBURSEMENT TYPE: Inpatient hospital X

PROPOSED EFFECTIVE DATE: August 1, 1996

- A. State Assurances and Findings. The State assures that it has made the following findings:
1. 447.253 (b) (1) (i) - The State pays for inpatient hospital services through the use of rates that are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers to provide services in conformity with applicable State and Federal laws, regulations, and quality and safety standards. _____
 2. With respect to inpatient hospital services - -
 - a. 447.253 (b) (1) (ii) (A) - The methods and standards used to determine payment rates take into account the situation of hospitals which serve a disproportionate number of low income patients with special needs. _____
 - b. 447.253 (b) (1) (ii) (B) - If a state elects in its State plan to cover inappropriate level of care services (that is, services furnished to hospital inpatients who require a lower covered level of care such as skilled nursing services or intermediate care services) under conditions similar to those described in section 1861 (v) (1) (G) of the Act, the methods and standards used to determine payment rates must specify that the payments for this type of care must be made at rates lower than those for inpatient hospital level of care services, reflecting the level of care actually received, in a manner consistent with section 1861 (v) (1) (G) of the Act. _____

If the answer is "not applicable," please indicate:
